Outpatient Pharmacy

Effective with date of service 04/01/2017 the All Inclusive Rate (AIR) shall be reimbursed for federally reimbursable drugs rather than pharmacy clinic consult services.

IHS/638 facility Pharmacy outpatient services for Title XIX (Medicaid) recipients are required to be billed using revenue code 0519, the National Drug Code (NDC) of the medication and the facility’s NPI billed as the attending provider on the UB-04 claim form (837I for electronic claims).
Billing Pharmacy Claims Title XIX

- Use revenue code 0519.

- Use bill type 131 (hospital Outpatient, admit through discharge) or 711 (clinic, rural health, admit through discharge).

- All pharmacy claim lines billed with rev code 0519 must have a valid NDC code on every line, with the **first line** containing a valid/covered NDC code.

- The AHCCCS Pharmacy web page has more information about the NDC requirements as well as the AHCCCS Drug Lists:

  https://www.azahcccs.gov/PlansProviders/Pharmacy/
Billing Pharmacy Claims Title XIX

- The Indian Health Services and 638 Tribal facility pharmacies shall bill AHCCCS the AIR using the date of service, also known as the fill date. AHCCCS allows one outpatient pharmacy clinic encounter per recipient, per date of service regardless of the number of pharmacy services during the encounter. (Note: the number of clinic visits per recipient, per date of service is limited to 5, one of which can be the outpatient pharmacy clinic visit.)

- The AIR shall be reimbursed for only one pharmacy visit per date of service, when claims are submitted on separate claim forms for drugs billed on the same date of service/fill date.
Common Pharmacy Billing Errors

- An invalid and or non-covered NDC code on the first line will cause the whole claim to deny.

- Invalid NDC codes: If the NDC code on each line does not follow the standard NDC format (i.e. typo) the whole claim will deny even if the first line has a valid/covered NDC code.

- Exception: Anticoagulants do not have NDC codes. Anticoagulants, must be billed using a valid corresponding diagnosis code for the drug.
AHCCCS covers the following for AHCCCS recipients and non-Title XIX SMI recipients who are eligible to receive Medicare:

- An Over-the-Counter (OTC) medication that is not covered as part of the Medicare Part D prescription drug program and is prescribed in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and more cost effective than the covered prescription medication.

- A drug that is excluded from coverage under Medicare Part D by CMS and the drug is medically necessary and federally reimbursable.

Refer to the AHCCCS Pharmacy webpage for the AHCCCS Duals Formulary at:

https://www.azahcccs.gov/Resources/Downloads/PharmacyUpdates/AHCCCSDualFormulary.pdf
Billing Pharmacy Claims Title XXI

- Claims for Title XXI (KidsCare) recipients must be submitted to OptumRx as described in Chapter 10 of the IHS/Tribal Provider Billing Manual.

Billing Pharmacy Claims - Example

Example 1, Line 1 billed with a valid AHCCCS covered NDC code
Line 2 billed with a valid AHCCCS covered NDC code

**Will pay the AIR on line 1**

<table>
<thead>
<tr>
<th>LN</th>
<th>Rev code</th>
<th>NDC Code</th>
<th>MEAS CD</th>
<th>NDC Units</th>
<th>SVC Units</th>
<th>Charges</th>
<th>Service Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>0519</td>
<td>00074455219</td>
<td>UN</td>
<td>30</td>
<td>1</td>
<td>368.00</td>
<td>11/01/16 – 11/01/16</td>
</tr>
<tr>
<td>L2</td>
<td>0519</td>
<td>00603053550</td>
<td>UN</td>
<td>30</td>
<td>1</td>
<td>0.00</td>
<td>11/01/16 – 11/01/16</td>
</tr>
</tbody>
</table>
Example 2:

Line one billed with a valid AHCCCS covered NDC code and the Al R
Line two can be billed with a covered or non-covered NDC code.

Will pay the Al R on line 1

<table>
<thead>
<tr>
<th>LN</th>
<th>Rev code</th>
<th>NDC Code</th>
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<th>NDC Units</th>
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<td>0.00</td>
<td>11/01/16 – 11/01/16</td>
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</table>
Example 3:

Line 1 billed with an invalid or a non-covered NDC code
Line 2 billed with a valid AHCCCS covered DNC code and the AIR

The whole claim will deny

<table>
<thead>
<tr>
<th>LN</th>
<th>Rev code</th>
<th>NDC Code</th>
<th>MEAS CD</th>
<th>NDC Units</th>
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<td>00603053500</td>
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<td>UN</td>
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<td>1</td>
<td>368.00</td>
<td>11/01/16 – 11/01/16</td>
</tr>
</tbody>
</table>
Example 4:
Line 1 billed with a valid AHCCCS covered NDC code and the AI R
Line 2 billed with a valid AHCCCS covered or a non-covered NDC code
Line 3 billed with a invalid NDC code

The whole claim will be denied

<table>
<thead>
<tr>
<th>LN</th>
<th>Rev code</th>
<th>NDC Code</th>
<th>MEAS CD</th>
<th>NDC Units</th>
<th>SVC Units</th>
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<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>11/01/16 – 11/01/16</td>
</tr>
</tbody>
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Contacts and Information

For claims status, please use the AHCCCS On-Line Portal available at: https://azweb.statemedicaid.us/Account/Login.aspx?ReturnUrl=%2f

For technical assistance with your AHCCCS online web portal, please call AHCCCS ISD Customer Support Desk at: 602-417-4451

For technical assistance with your Claims, please contact the Claims Customer Service Unit at 602-417-7670, Option 4.

If you require individualized training, please send your request via email to: ProviderTrainingFFS@azahcccs.gov

To subscribe to receive notifications from DFSM, click this link: https://visitor.r20.constantcontact.com/d.jsp?llr=wfkoa9yab&p=oi&m=1126154315958&sit=dxzftp4kb&f=eb307415-6a96-41fd-9bc5-55152f560cd6
Questions?

Reaching across Arizona to provide comprehensive quality health care for those in need
Thank You.

Please take a few minutes to complete a survey on today’s training session.

We appreciate your feedback.

Here is the survey link:

https://www.surveymonkey.com/r/652ZDH6